

1990s, where these very same Wall Street and money center banks, the very same ones on this list, planned to over-leverage the U.S. economy and housing market through such schemes as mortgage-backed securities, through which they benefited handsomely in home equity loans and they made extraordinary profits, their executives, their shareholders, their board members.

And the net result of their combined actions has been to indebt our country on the private side and ultimately now try to shift all of that debt to us, to our children and to our grandchildren, and they sit on the board of the Federal Reserve Board up in New York, the 10 or 15 primary dealers, the very same ones that did all of this damage? These same institutions lobbied all during the 1990s and in this decade to change Federal laws that aided and abetted their plan.

In 1994, the Riegle-Neal Interstate Banking and Branching Act was passed into law that hastened all these mergers that made them bigger; and then in 1993 and 1994, changing the rules over at the Department of Housing and Urban Development to allow home builders like Countrywide to approve their own loans, they changed the underwriting and appraisal standards; and then, again, allowing lenders to select their own appraisers back in the early 1990s; and then in 1995 changed the Securities Litigation Act here; and finally the Graham-Leach-Bliley Act overturned in 1999.

Madam Speaker, I have to tell you, the American people will begin to see how the pieces of this puzzle fit together and they all lead back to the Wall Street megacenters.

Let's not reward Wall St. and the money center banks that have caused America and the world such great harm. How did they do it?

In the 1990's—Plan is set in place by Wall Street and the largest money center banks—like JP Morgan Chase, Citigroup, Bank of America, HSBC, Wachovia, and Wells Fargo—to over-leverage U.S. housing market through such schemes as mortgage-backed securities and home equity loans to make extraordinary profits and enrich executives, Boards, and their shareholders. The net result of their combined actions has been to indebt the U.S. on the private side, and ultimately shift the cost of their excesses to the public side.

These same institutions lobbied changes to Federal laws along with executive actions that aided and abetted their plan.

1994—Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 was passed into law with Congress hastening bank mergers with further concentration of financial power in large money center banks. The traditional concept of community banking where residential lending took the form of a "loan" which was made on the time-tested standards of character, collateral, and collectability was transformed to a "bond" or "security" which was then broken into pieces and sold into the international market, largely through Wall Street dealers. Essentially, collateral was over-

valued, risk was masked, and proper underwriting and oversight of the loan were dispensed with.

1993–1994—HUD removes normal underwriting standards (HUD Mortgage Letter 93–2, "Mandatory Direct Endorsement Processing" gave authority to homebuilder owned lenders like KB Mortgage and affiliate lenders like Countrywide to independently approve their own loans; in 1994, Mortgage Letter 94–54 allowed lenders to select their own appraisers. Secretary of HUD, Henry Cisneros, upon departure from the Department became a KB Home Board Member as well as a Countrywide Board Member.)

In 1995 the Private Securities Litigation Reform Act, the only bill ever passed over a Clinton veto and a part of the Contract with America, made securities class action law suits more difficult. Congressman Ed Markey offered an amendment to that bill that would have made those that sold derivatives still subject to class actions. The amendment failed.

1999 Gramm Leach Bliley Act passed Congress and for the first time since the 1930's removed the regulatory barriers between banks, commerce, insurance and real estate. Over the next several years, the fury of an inflating housing market and mergers of financial institutions increased. Today, Dresdner, the second largest bank in Germany, has been victimized by the subprime crisis, and has been put up for sale, and is likely being acquired by Commerzbank which is owned by Allianz Insurance Group of Germany. Effective June 5, 2008, Dresdner Kleinwort Securities LLC was listed on the Federal Reserve Bank of New York "Primary Government Securities Dealers." This means a foreign institution, with severe financial problems, is brought under the umbrella of the Federal Reserve. In addition, if one studies the Primary Dealer list, one will also note the presence of Countrywide Securities Corporation, one of the subsidiaries of Countrywide, the most egregious subprime lender in the U.S. The Federal Reserve has become an encampment for the most culpable.

The Boards and executive staff of U.S. housing secondary market instrumentalities, like FNMA and Freddie Mac, further enflamed the boom housing market during the 1990's by masking risk and fraudulent account schemes. All the while, their Boards and executives were making handsome compensation and benefit packages.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FRANKS) is recognized for 5 minutes.

(Mr. FRANKS of Arizona addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOLT) is recognized for 5 minutes.

(Mr. HOLT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ABRAHAM LINCOLN BICENTENNIAL

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Nebraska (Mr. FORTENBERRY) is recognized for 5 minutes.

Mr. FORTENBERRY. Madam Speaker, my district includes the largest city in the world named for Abraham Lincoln. Lincoln is the capital of Nebraska, a State that bore great significance to our President's legacy.

On October 16, 1854, Abraham Lincoln delivered a speech that changed the world. One of the famed Lincoln-Douglass debates, this 3-hour speech challenged the Kansas-Nebraska Act and presented arguably the most thorough moral, legal, and political argument against slavery to that date. He deplored Stephen Douglass' invocations of the quote "sacred right" of taking slaves to Nebraska." He spoke passionately against the act, declaring:

"I cannot but hate. I hate it because of the monstrous injustice of slavery itself. I hate it because it deprives our republican example of its just influence in the world—enables the enemies of free institutions, with plausibility, to taunt us as hypocrites—causes the real friends of freedom to doubt our sincerity, and especially because it forces so many really good men amongst ourselves into an open war with the very fundamental principles of civil liberty."

Were Abraham Lincoln to not have spoken these words, my State may have suffered a past of grave injustice. Nebraskans are thankful for his stand for the principle enshrined in the preamble to our Declaration of Independence: All men are created equal.

Abraham Lincoln's legacy, 200 years after his birth, is now deeply rooted in our American tradition. He led our Nation through our greatest and most profound crisis and strengthened our country.

□ 1645

Though Lincoln's work at healing a fractured Nation was tragically and reprehensibly cut short, countless Americans have carried the mantle set forth in his remarkable orations. We work, as Lincoln said, "to do all which may achieve and cherish a just and lasting peace among ourselves and with all Nations." Even today, and even while our Nation is under many pressures at the moment, it is a testament to Lincoln's legacy that the world still turns to us to lead on critical human rights issues.

Madam Speaker, as a Representative of Nebraska, as a resident of Lincoln, as an American citizen, deeply moved by the grand yet simple ideal of equality, I am honored to stand here today and pay tribute to President Abraham Lincoln on the 200th anniversary of his birth.

CHINA SEEKS GUARANTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.